

WILMER, CUTLER & PICKERING  
2445 M STREET, N.W.  
WASHINGTON, D.C. 20037-1420

TELEPHONE (202) 663-8000  
FACSIMILE (202) 663-6363

RECEIVED  
FEDERAL ELECTION  
COMMISSION MAIL ROOM

100 LIGHT STREET  
BALTIMORE, MD 21202  
TELEPHONE (410) 986-2800  
FACSIMILE (410) 986-2828

4 CARLTON GARDENS  
LONDON SW1Y 5AA  
TELEPHONE 011 (44171) 839-4466  
FACSIMILE 011 (44171) 839-3537

RUE DE LA LOI 15 WETSTRAAT  
B-1040 BRUSSELS  
TELEPHONE 011 (322) 231-0903  
FACSIMILE 011 (322) 230-4322

FRIEDRICHSTRASSE 95  
D-10117 BERLIN  
TELEPHONE 011 (4930) 2022-6400  
FACSIMILE 011 (4930) 2022-6500

ROGER M. WITTEN  
DIRECT LINE (202) 663-6170

MAY 9 5 00 PM '97

May 9, 1997

BY HAND

Ms. Nancy E. Bell  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 4594 - China Airlines, Ltd.

Dear Ms. Bell:

This letter is in response to your informal requests for information made by phone and letter on May 2, 1997. Please note that by responding to your requests, we do not waive our position that the claim raised in this MUR is time-barred. You have asked two questions: first, regarding a statement in our February 14, 1997 submission to the Commission, you seek to know (a) the name of the hotel in Honolulu owned and managed by China Airlines, Ltd. ("CAL") and (b) whether the employees seconded by CAL were "transferred or merely referred" to Longevity International Enterprises Corporation ("Longevity"). Second, you ask for a specific explanation of any direct or indirect relationship between CAL and Longevity, owner of the Chinatown Cultural Plaza ("Cultural Plaza").

As to subpart (a) of your first question, CAL owns the Holiday Inn, Waikiki. This property, which CAL acquired in 1973, was known until August 23, 1994 as the Hawaii Dynasty Hotel.

As to subpart (b) of your first question, it is not clear to us what distinction you seek to draw between "transferred" and "merely referred." The circumstances surrounding the secondment were as follows: CAL was the largest Taiwan-based corporation doing business in Honolulu. It had a strong commitment to the Chinese-American community there and was interested in seeing the Cultural Plaza successfully developed to serve that community. After Longevity assumed ownership of the faltering Cultural Plaza, CAL offered to second some of its experienced employees to Longevity to aid in management of the property. The seconded employees became full employees of Longevity and were paid, supervised, and directed by Longevity.

MAY 12 11 06 AM '97

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

2025 MAY 12 11 06 AM '97

Ms. Nancy E. Bell  
May 9, 1997  
Page 2

They did not report to CAL or otherwise retain any employee-employer relationship with CAL while working for Longevity. Most of the seconded employees eventually returned to work for CAL, typically after three or four years with Longevity. Approximately ten employees were seconded to Longevity over the years.

In response to your second question, there is no and never has been any direct or indirect relationship between CAL and Longevity. They have always been separate corporations. CAL has never had any direct or indirect ownership or other financial interest in Longevity, and Longevity has never had any direct or indirect ownership or other financial interest in CAL. While there never has been any direct or indirect corporate relationship between CAL and Longevity, some of Longevity's original shareholders and directors held senior positions in CAL.

Finally, as stated in our February 14, 1997 letter, the Commission should take no further action against CAL since it has and had no ownership or other financial interest in the Cultural Plaza and no involvement in the corporate decisions or functioning of Longevity or in the leasing of space within the Cultural Plaza. Further, since the alleged violations are time barred, there is no evidence the space in question was used in connection with an election, and the rental amount charged was within the range of reasonable market rates, the Commission should dismiss the entire matter for lack of any cognizable claim.

Sincerely,



Roger M. Witten  
Jeffrey N. Shane  
Margaret L. Ackerley

Counsel for Respondent,  
China Airlines, Ltd.